



# AID CONDITIONALITIES AND POLITICAL TRANSITIONS: A COMPARISON OF ASIAN AND WESTERN BILATERAL AID AGENCIES' RESPONSES TO POLITICAL CHANGE IN CAMBODIA

Walter P. Dawson

Associate Professor, International Christian University, College of Liberal Arts, 3-10-2 Ohsawa ERB-333, Mitaka, Tokyo 181-8585 Japan.

## ABSTRACT

This study sought to examine bilateral aid agency actors and their aid policies as they might be affected by political changes in Cambodia as a recipient country to examine processes of globalization in terms of policy convergence or divergence in relation to the two dominant sociological theories in the field of comparative education: Neo-Institutional Theory and Systems Theory. Policy documents, aid agency press releases, and wider media coverage were analyzed to test these two theories. It was found that Asian aid agencies did not converge in aid policy with Western aid agencies which have sought to reduce aid and limit trade with Cambodia as a result of the 2017 changes in the Cambodian political system. The Asian aid agencies do not display isomorphic convergence as predicted by Neo-Institutional Theory, and conversely prioritized their own geopolitical context in formulating aid policy with economic and political dimensions which reflected broader international relations considerations as predicted by Systems Theory. Further research will be required as these aid directives are translated into actual policy and project implementation to examine these theories in the next stage of this research project.

**KEYWORDS:** Cambodia, aid, politics, donor agencies, ODA.

## INTRODUCTION:

Do East Asian donors converge with the aid policy of traditional Western donors in cases where political climate in a recipient nation has changed? This question has guided my research to examine the geopolitical influence of different donor nations, from Asia and the West, in creating development policies. In this report, I will attempt to examine theories of globalization of education as they might explain the aid positions taken by bilateral aid agencies in Asia (Japan, South Korea, and China) compared to the West (US, Sweden, and the EU) in relation to their development policies in the particular development context of Cambodia. These theories are at the center of recent debates in comparative education about which sociological theories can best describe the globalization trends and potential future directions of global aid policies and practices. Until this time they have largely been applied to case studies of education policies and projects transferred from one nation to another. In this study I will seek to apply the theories to explaining the political response of donor nations in the case where there is a strong political shift in the domestic politics of a recipient nation: Cambodia. In doing so I will attempt to determine whether "Asian" institutions are following the development policies of "Western" institutions or establishing new "Asian" or "Japanese" modalities for aid and national development.

Much research has sought to establish that bilateral aid agencies act independently to establish their own aid modalities particularly in regard to who receives that aid (Alesina & Dollar, 2000). In addition, there have been a number of studies done on the role of international organizations such as UNESCO and the World Bank for the promotion of Education for All globally (Mundy, 1999; Heyneman, 2003). Other studies have addressed the role of multilateral agencies in Cambodia such as the World Bank and UNICEF (Hattori 2009) and UNESCO (Dy & Ninomiya 2003) in Cambodia. Some researchers have examined the bilateral aid of Japan (Kamibeppu 2002, King and McGrath 2002) or China (Gillespie 2002) for education on a global scale. The researcher's previous JSPS Research Grant focused on the role of Japan, South Korea, and China in the development of education in Cambodia. This study will expand on that study to compare EFA Policy of "emerging donors" in Asia with traditional donors in the West. This study will situate the research on Asian and Western bilateral aid institutions approach to aid policy within the central debate about globalization of education in the fields of educational sociology and comparative education today. On the one hand, Neo-Institutionalist scholars contend that a "world culture" represented by international organizations promotes convergence of common values of "progress" and "justice" to expand education in nations across the globe (Meyer & Rowan: 1977). Neo-institutionalist would expect bilateral aid agencies in different countries to display isomorphic characteristics in terms of choosing to give aid to the same nations under the same conditionalities. On the other hand, Systems Theorists argue that the "policy talk" of education policy exists as discourse which displays divergence in the way it is translated into aid policy formulated in each national and cultural context (Schriewer, 2003; Steiner-Khamsi, 2004). Researchers in Anthropology and Cultural Studies insist that we must focus on processes of "indigenization" or "creolization" of global discourse and practice at the local level (Anderson-Levitt, 2003; Appadurai, 1990). There is room to suggest that other theories within sociology or other academic disciplines may be more promising in their potential to explain the development of bilateral aid policy and globalization of institutions, policies, and practices.

Previous studies led by Neo-Institutionalist researchers have examined the presence of ministries of education around the world as evidence of institutional isomorphism (i.e., convergence). Other studies have focused on the role that international organizations play in the process of globalization and convergence of world culture (Chabbot, 2009). However, there have not been any comparative studies of the aid policy and modalities of donor nations in relation to a single nation. Cambodia presents an interesting case as a result of a political shift in the last two years away from democratic institutions. In 2017 the Cambodian Government dissolved the CNRP (Cambodia National Rescue Party) which is the largest opposition party, imprisoned the leader of that party as well as closing around two-dozen media outlets and several NGOs promoting democracy in the country (Vanderklippe, 2017). A democratic political system or an orientation toward democratization has been listed as a condition for receiving aid from many bilateral aid agencies. Therefore, it is with this political shift in mind that this study intends to examine the degree to which Asian and Western bilateral aid agencies may have converged or diverged in their response to this shift and how that portends for explaining these trends by using leading theories in sociology of education. This comparison will focus on the governments and bilateral aid agencies of three nations in Asia (Japan, South Korea, China) and three Western cases (the US, Sweden, and the EU) in order to broaden the examination of convergence or divergence of educational development policy in Cambodia.

## METHODS:

The purpose of this study is to examine a greater question at the center of the current debate in the fields of educational sociology and comparative education as reflected in the research question below. The research question which guides this study is stated as, "Do government institutions in Asia converge or diverge with Western donors in their aid policy toward Cambodia as a result of aid conditionalities?" Several questions must be addressed to approach this topic. Do Asian institutions converge with Western institutions toward aid policy? Are Asian institutions creating a new "Asian Model" for aid policy toward developing nations? Is each Asian nation creating its own unique models (i.e., a "Japanese Model", "Chinese Model") for aid policy in developing nations? The study will seek to reveal the following: the influence of global and local forces on the creation of aid policy, the degree of EFA policy consensus between traditional Western donors, and in what ways emerging bilateral aid agencies converge or diverge with this consensus. Further efforts will be made to identify aid policy-making models which may be defined as being uniquely Japanese, Korean, Chinese, or East Asian.

This study will focus on two levels bilateral aid: aid policy documents and aid policy orientations. During the first stage the researcher examined the policy papers of the bilateral aid institutions and their stated conditions for recipient countries. During the second stage the researcher investigated the recent shifts in aid policy toward Cambodia resulting from the political changes in the nation. The researcher collected first and second-hand resources to describe the aid orientation of the bilateral agencies. In the second policy orientation analysis stage, the researcher collected evidence showing whether aid agencies had changed their aid policy or not toward Cambodia from two sources: media reports and announcements of policy shifts as well as policy documents. The documents and media sources were subjected first to a policy analysis according to the principles

laid out in Bardach (2008). This policy analysis focused on the policy as it was dictated by donors' and recipients' political priorities. The researcher subjected the policy documents to further analysis to discuss the policies as they exhibit convergence or divergence of policy priorities with the other donor agencies. Media accounts and government announcements were analyzed to ascertain how policy priorities were related to aid conditionalities and directives to shift aid policy for the Cambodian case. The researcher analyzed all policy documents according to the following process. A comprehensive conceptually-clustered data matrix was used to compile and organize data as themes emerged (Miles & Huberman 1994). "Data reduction" was performed to identify emerging themes and "constant comparison" was used to check the validity of those themes (Marshall & Rossman 1989; Lecompte & Preissle 1993). Thereby, a theoretical framework can be chosen to describe the findings per "theory implications selection" (Lecompte & Preissle 1993). As such, the discourse was deconstructed as it relates to the dominant positions toward aid conditionalities for less democratic recipient nations.

## RESULTS AND DISCUSSION:

The researcher's examination of aid policy toward Cambodia has revealed different levels of recognition of the political changes in Cambodia and what implications that may have for future aid policy. The USAID website in its brief summary of the development situation devotes most of the short "About Cambodia" section to the discussion of such challenges as follows:

"Democracy and human rights continue to be a challenge, natural resources have been rapidly depleted through illegal logging and poaching, inadequate nutrition has stunted over 30 percent of children and human trafficking persists. The United States works with Cambodia to build a framework for lasting democracy and to improve the lives of all citizens" (USAID, 2019).

Perhaps a better indication of the strong stance which the US government is taking toward the political shift in Cambodia is indicated by the Cambodia Democracy Act of 2019, a bill which passed in the US House of Representatives on July 15, 2019 and which is currently under consideration in the Senate. This bill intends to impose direct penalties on those Cambodian government officials who have been deemed harmful to democratic government and human rights through their official actions and may go so far as to control their assets in the US or restrict travel to the US and its territories (Impact News Service, 2019). Other Western aid agencies have been forced to re-examine their aid to Cambodia and role in political development processes. The Swedish government commissioned a comprehensive study of its 20-year effort to foster democracy in Cambodia with the conclusion that over that 20-year period the viability of Swedish aid for democratization weakened during the last 10 years, specifically from 2009 to 2017, because not enough attention was paid to the "patrimonial system" while Swedish aid took on an overly "technocratic approach" whereby Sweden "became a donor with less potential for contributing added value to democratization" (Andersen et al., 2019). Sweden was, in fact, the first EU country to change its aid policy toward Cambodia in November of 2017 when it announced that it would suspend all new aid except to projects related to research and education (Thul, 2017). The US followed soon after in February of 2018 with a decision to suspend all aid to Cambodia because of the "recent setbacks to democracy in Cambodia" as stated by the White House (Kyodo, 2018). The EU has gone further in attempting to censure Cambodia for its backslide from democracy by threatening to revoke Cambodia's preferential trading status with Cambodia as of November 2019, but Cambodia has simply expressed an intention to protect its sovereignty and strengthen its relations with China in response.

Subsequently, the researcher sought to compare these developments with the responses of Asian donors to the political changes in Cambodia. Japan's has three priority areas for its aid to Cambodia: strengthening economic base, promotion of social development, and strengthening of governance. In terms of strengthening governance, Japan's projects in this area end during the 2019 calendar year, and it is still undetermined as to whether this area will remain a priority. The Japanese Development Cooperation Charter still states that, "Japan will provide assistance so as to share universal values such as freedom, democracy, respect for basic human rights and the rule of law" (MOFA, 2015). Nevertheless, although Japan realizes that it cannot compete with China which granted Japan aid of nearly \$600 million in 2019, Japan tries to maintain its influence of over ten years ago when it was Cambodia's biggest donor by currently offering \$90 million in aid from 2018 into the future (Kasai & Adams, 2019). An evaluation report published in 2017 did note the creation of a one-party political system in Cambodia and indicated that Japan's efforts toward strengthening governance lent meager results in that "its impact has not yet appeared" in terms of the "Legal Development and Administrative Function Program" and "intermediate" results for improvements for the "Public Finance Management Program" which struggles with government corruption were mentioned (Waseda University, 2018). As stated above, China's commitment to provide aid to Cambodia is unfettered by any conditionalities related to governance or politics; therefore, there is a steady increase in both aid and foreign direct investment. In terms of South Korea's general stance toward political development, it states in its 2017 Korea's ODA White Paper that, "the Korean government is promoting peace and prosperity and working to propagate universal values (environmental protection, gender equality, human rights and democracy)" (CIDC, 2017). Despite this guiding principle there has been no indication that political changes in Cambodia have had any

effect on South Korea's current and future aid policy for the nation. Compared to Japan and Western donors South Korea does not fund projects which directly relate to political development in Cambodia and has not made any official announcements about aid, trade or investment related to political developments in Cambodia.

## CONCLUSION:

There are significant differences in the aid policy approaches of the various bilateral agencies as compared to this researcher's previous findings concerning the historical development of the aid agencies and their aid to Cambodia up until the 2017 political changes. Western donors such as the US, Sweden, and the EU have made significant commitments to scale back their aid and reconfigure both aid and trade relations with Cambodia. Thus, one could say there appears to be convergence from a Neo-Institutional perspective in terms of the emergence of a Western consensus to hold Cambodia accountable for its record regarding political freedoms and human rights. Conversely, whereas in the previous study Asian aid agencies such as JICA, KOICA, and their governments express similar conditionalities regarding democracy and human rights, there has not been a change in their aid policies toward Cambodia since 2017. If anything their portfolios of aid packages and projects have increased. This divergence particularly in regard to human rights would challenge the Neo-Institutional promise of isomorphism of aid policy for ideals of progress and justice and show that Asian nations and their geopolitical economic and political concerns, particularly for Japan and South Korea in the face of the rise of China, are pursuing policies of engagement with Cambodia influenced by their own economic and security-based agendas rather than universal values which might guide aid policy. This divergence would seem to lend credence to the premises of systems theory in the degree to which geopolitical context trumps globalism. In order to re-examine these theoretical explanations future research will be needed to learn more of how agency officials interpret these policy positions and carry out the work of development in the particular field context of Cambodia.

The researcher would like to thank the Japan Society for the Promotion of Science for providing the Grant-In-Aid Research Grant to fund this research study.

## REFERENCES:

1. Alesina, A. & Dollar, D. (2000). Who Gives Foreign Aid to Whom and Why? In *Journal of Economic Growth*, 5, 1, pp. 33-63.
2. Andersen, H. et al. (2019). Supporting State-Building for Democratisation? A Study of 20 Years of Swedish Democracy Aid to Cambodia. EBA (Expertgruppen for bistandsanalys), Stockholm.
3. Anderson-Levitt (2003). *Local Meanings, Global Schooling: Anthropology and World Culture Theory*. Palgrave Macmillan, New York.
4. Appadurai, A. (1990). Disjuncture and Difference in the Global Cultural Economy. In *Public Culture*, 2, 2.
5. Bardach, E. (2008). *A Practical Guide for Policy Analysis: The Eightfold Path to More Effective Problem Solving*. CQ Press, New York.
6. Chabbot, C. (2009). *Constructing Education for Development: International Organizations and Education for All*. Routledge, New York.
7. Committee for International Development Cooperation (CIDC). (2017) 2017 Korea's ODA White Paper. Committee for International Development Cooperation, Sejong.
8. Dy, S.S. & Ninomiya, A. (2003). Basic Education in Cambodia: The impact of UNESCO on policies in the 1990s. In *Education Policy Analysis Archives*, 11, 48.
9. Gillespie, S. (2002). *South-South Transfer: A Study of Sino-African Exchanges*. Routledge, New York.
10. Hattori, H. (2009). Enhancing aid effectiveness in education through a sector-wide approach in Cambodia. In *Prospects*, 39, 185-199.
11. Heyneman, S.P. (2003). The history and problems in the making of education policy at the World Bank 1960-2000. In *International Journal of Educational Development*, 23, 315-337.
12. Impact News Service (2019). Cambodia Democracy Act of 2019; Congressional Record Vol. 165, 118 (House of Representatives – July 15, 2019). Available at Lexis-Nexis, accessed on December 26, 2019.
13. Kamibepu, T. (2002). *History of Japanese Policies in Education Aid to Developing Countries, 1950s-1990s: The Role of Subgovernmental Processes*. Routledge, New York.
14. Kasai, T & Adams, B. (2019). Japan shouldn't act like China in Cambodia. In *Japan Times Commentary*. Available at Lexis-Nexis, accessed on December 27, 2019.
15. King, K. & McGrath, S. (2004). *Knowledge for Development?: Comparing British, Japanese, Swedish and World Bank Aid*. Zed Books, New York.
16. Kyodo News Service (2018). US suspends Aid to Cambodia. Available at Lexis-Nexis, accessed on December 27, 2019.
17. LeCompte, M. D. & Preissle, J. (1993). *Ethnography and Qualitative Design in Educational Research*. Academic Press, Inc, New York.
18. Marshall, C. & Rossman, G. B. (1989). *Designing qualitative research*. Sage Publications, Newbury Park, CA.
19. Meyer, J. & Rowan, B. (1977). Institutionalized Organizations: Formal Structure as Myth and Ceremony. In *The American Journal of Sociology*, 83, 2.
20. Miles, M. B. & Huberman, A. M. (1994). *Qualitative data analysis: an expanded sourcebook*. Sage Publications, Thousand Oaks, CA.
21. Ministry of Foreign Affairs (MOFA) (2015). *Japan's Development Cooperation Char-*

- ter. Ministry of Foreign Affairs, Tokyo.
22. Mundy, K. (1999). Educational multilateralism in a changing world order: Unesco and the limits of the possible. In *International Journal of Educational Development*, 19, 27-52.
  23. Schriewer, J. (Ed.) (2003) *Discourse Formation in Comparative Education*. Peter Lang, Berlin.
  24. Steiner-Khamsi, G. (2004). *The Global Politics of Educational Borrowing and Lending*. Teachers College Press, New York.
  25. Thul, P.C. (2017) Sweden stops some new aid for Cambodia in protest over crackdown. In Reuters. Available at Lexis-Nexis, accessed on December 26, 2019.
  26. USAID (2019). Where we work, Asia, Cambodia. Available at [usaid.gov/Cambodia](https://www.usaid.gov/Cambodia), accessed on December 26, 2019.
  27. Vanderklippe, N. (2017). A democracy wanes in Cambodia, China steps in. In *The Globe and Mail*. Available at Lexis-Nexis, accessed on December 24, 2019.
  28. Waseda University (2018). *Country Assistance Evaluation of Cambodia. Third Party Evaluation Report 2017*, Ministry of Foreign Affairs of Japan, Tokyo.